

**TOWN OF DAVIE
SPECIAL MEETING
SEPTEMBER 6, 2006**

The meeting was called to order at 6:38 p.m. and was followed by the Pledge of Allegiance.

Present at the meeting were Mayor Truex, Vice-Mayor Crowley and Councilmembers Caletka, Paul and Starkey. Also present were Acting Town Administrator Cohen, Town Attorney Kiar, and Town Clerk Muniz recording the meeting.

PUBLIC HEARING - BUDGET

Resolution

1. **DEBT SERVICE - A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA,**
R-2006-235 **ESTABLISHING THE TENTATIVE MILLAGE RATE TO BE LEVIED FOR VOTER
APPROVED DEBT SERVICE FOR THE FISCAL YEAR BEGINNING OCTOBER 1,
2006, AND ENDING SEPTEMBER 30, 2007.**

Mayor Truex opened the public hearing portion of the meeting.

Lori Parrish, 2701 SW 141 Terrace, noted that the debt service had doubled this year and this did not match estimates advertised by Council. She indicated that Councilmember Paul had explained that the Town had not collected the debt for the fire station for two or three years and Ms. Parrish wanted to know why. Mr. Cohen responded that the bond had taken a year or so to go forward, and they wanted to create only one bond, not several smaller bonds, which would have been more expensive. Ms. Parrish thought that postponing levying the debt had caused the debt to increase. Mr. Cohen clarified that the debt levy was not connected to property values and the debt service was specific to the amount being paid back.

Ms. Parrish thought the Town had purchased some items included in the bond that should have been part of capital improvements, such as laptop computers. Mr. Cohen said that the useful lives of the items had been factored into the bond calculations.

Ms. Parrish wanted to know what the estimate had been for the open space and the public safety bond issues. Budget and Finance Director Bill Underwood explained that every point specified on the open space bond issue ballot question had held true. Ms. Parrish wanted to know what the original estimate had been for the average household. Councilmember Starkey pointed out that the cost had risen with property values. Ms. Parrish said that this year, the Town's ad valorem tax rate increased by 25.83%. She felt that rather than levying a 30-year debt, the Town could pay for some of these items out of this additional ad valorem.

Mr. Underwood agreed to e-mail Ms. Parrish the Town's cash receipts and disbursement journal, by vendor, for the past twelve months. Ms. Parrish agreed to look this over to see if she could help the Town cut their budget.

Mayor Truex closed the public hearing.

Mr. Underwood clarified that when the TRIM notices were mailed, the bond issues were not quite consummated and they had estimated a .90 millage rate. The actual millage rate was .7541, a significant decrease. Mr. Underwood explained that the 1986 Tax Act affected how municipalities issued debt, including timelines and arbitrage. Mayor Truex asked if they were complying with this law and Mr. Underwood confirmed that they were.

Councilmember Starkey made a motion, seconded by Mayor Truex, to approve. In a roll call vote, the vote was as follows: Mayor Truex - yes; Vice-Mayor Crowley - yes; Councilmember Caletka - no; Councilmember Paul - yes; Councilmember Starkey - yes. (Motion passed 4-1)

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Ordinances - First Reading (Second and Final Reading to be held September 20, 2006)

2. MILLAGE RATE - AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, ESTABLISHING THE MILLAGE RATE TO BE LEVIED FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2006, AND ENDING SEPTEMBER 30, 2007.

Mayor Truex stated that the Town's tentative operating millage rate for fiscal year 2007 was 5.0900, which was a 13.85% increase over the rolled back rate of 4.4707. The tentative voted debt service millage for fiscal year 2007 was .7541. He advised that the second and final reading would be held on September 20, 2006.

Mayor Truex opened the public hearing portion of the meeting.

Ms. Parrish wanted to know the dollar amount of the Town's budget increase this year. Mr. Cohen said it was \$36 million. Ms. Parrish felt it might be better to levy this as a millage rate rather than use debt service for 30 years. She stated that the responsible thing to do was to take advantage of the increase in property values to give some tax relief to the taxpayers.

Mayor Truex thanked Ms. Parrish for her offer to review their budget and look for places where reductions could be made. Ms. Parrish requested that whichever Councilmember was "best in math" sit down with her to review the budget.

Councilmember Paul thought there was a problem with the fuel and vehicle maintenance figures. She agreed that their health insurance was too high as well. Councilmember Paul said she had already decided to request a workshop on the insurance issue.

Ms. Parrish requested several other documents and Mayor Truex advised her to make her request in writing, so there would be no mistake. If she did not receive the items in a timely manner, he asked her to contact him directly.

Holly Cimino, 7040 SW 37 Court, asked Council to find more ways to reduce the budget.

Nel Pirzada wanted to know where the additional tax income from the property value increases would be spent. She said her property tax increase had "far exceeded" her expectations and wondered why the millage rate could not be reduced further. Ms. Pirzada requested a copy of the proposed budget and was told that document would be posted to the Town's website the following week.

Scott Spages, 3144 Peachtree Circle and member of the Budget Advisory Committee, invited Ms. Parrish to attend their meetings. Mr. Spages remarked that the budget was "pretty good" and though it was not perfect, he felt they were "heading in the right direction." He agreed with Ms. Parrish, as did the entire Committee, that the Town's debt service was too high.

Mayor Truex closed the public hearing.

Councilmember Paul felt they could lower the millage rate even more and free up money for some needed personnel. She had identified items she wanted staff to investigate, such as the fuel charge discrepancy and vehicle usage, the insurance rate, contracts, contingency funds, and the almost \$1,000,000 in capital equipment in the general budget. Councilmember Paul said she had met with their insurance consultant, who informed her there were measures she had requested Human Resources implement for years to reduce the employee contribution, but she had "not been given the vantage point for that." Councilmember Paul felt they needed to utilize the expertise of the insurance consultant and hold an insurance workshop. Until the items she identified as discrepancies were corrected, Councilmember Paul said she could not approve the budget.

Councilmember Paul noted that after Council had requested a 15% reduction in the entire budget, the revised budget reflected "that whole 15% in positions" which upset many employees. Mr. Cohen corrected that they had reduced positions by 15% and operating by 15%. He said they did not have \$15 million [representing a 15% reduction] in operating expenses that could be cut. He reminded Councilmember Paul that he had not been directed where to make the reductions.

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Councilmember Starkey agreed there must be a way to reduce the millage rate further. She felt that the fuel and vehicle usage was “a very big issue...on every item on this budget to the tune of several million dollars.” She wanted to examine this item and have staff provide them with consistent answers so they all understood it. Mr. Cohen explained that past administrations had used diesel reserves to cover fuel costs and had not included them as part of the expenditures to the various departments. Mr. Cohen had not thought this was appropriate, so they had created a separate item in order to avoid confusion. The vehicle maintenance, which had not included fuel for the last two years, had increased only by their contract increases, so there was not a substantial increase in that category overall. The fuel had increased \$1,100,000 because Mr. Cohen had not taken it out of reserves; however, if Council wanted him to take it out of reserves, this would substantially reduce the vehicle reserves, but save a \$1,000,000.

Mr. Cohen explained to Councilmember Paul that the fuel reserve fund comprised additional funds that had been generated for building a new garage several years ago. This remaining balance was used to pay for fuel for the past two years; therefore, it did not factor into the budget. He noted that only expenses were shown in the budget, not reserves.

Councilmember Caletka believed they could get the millage rate down to 5.0500 and drop the fire assessment by \$1 by cutting back on lobbyists, closing the Office of Economic Development and requiring employees who took Town-owned cars out of the County to reimburse the Town \$60 per month. Councilmember Caletka had calculated that these reductions would result in a combined total savings of approximately \$350,000.

Vice-Mayor Crowley agreed with Councilmember Caletka and remarked that one problem was that Council was presented with the budget a little late and another workshop would be required. Council discussed dates for the workshop and decided on September 12th at 5:30 p.m.

Mayor Truex agreed with some of what had been said, but was opposed to closing the Economic Development Department. He also favored reviewing all of the lobbyists’ contracts. Mayor Truex said he had confidence in the staff’s abilities and thanked Mr. Underwood and Mr. Cohen and their respective departments.

Mr. Underwood informed Council that they must set the tentative millage rate this evening. It was possible to raise it at a later date, but this would be cost prohibitive and he did not recommend it. Mr. Underwood advised that due to notice requirements, they might need to move the September 20th meeting. He added that October 4th was the final deadline for approval of the budget. Mr. Cohen advised Council to use the 5.0500 millage rate now and changes could be made to the advertisement to allow sufficient notice time.

Vice-Mayor Crowley made a motion, seconded by Councilmember Paul, to set the first reading millage rate at 5.0500. In a roll call vote, the vote was as follows: Mayor Truex - yes; Vice-Mayor Crowley - yes; Councilmember Caletka - yes; Councilmember Paul - yes; Councilmember Starkey - yes. (Motion passed 5-0)

Mayor Truex announced that the Town of Davie’s tentative operating millage rate for fiscal year 2007 is 5.0500, which was a 12.96% increase over the rollback rate of 4.4707. The tentative voted debt service millage for fiscal year 2007 was .7541.

3. BUDGET - AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, ADOPTING THE BUDGET FOR THE TOWN OF DAVIE FOR THE FISCAL YEAR 2007.

The Town Clerk read the ordinance by title.

Mayor Truex opened the public hearing portion of the meeting. As no one wished to speak, the public hearing was closed.

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Mr. Underwood stated that based upon Council's motion to set the millage rate at 5.0500, the ad valorem figure should be revised to \$42,070,279.

Councilmember Paul asked staff to investigate health insurance to be sure the 12.8% increase was consistent and to consider ways to reduce it. Mr. Cohen explained that this would reduce the amount in their reserve balance and a reduction of 1% should not pose a problem unless there was a significant increase in costs over the next year. Councilmember Paul said the insurance consultant had informed her that if they changed the carrier for the re-insurance, they could save enough to bring the rate down. She agreed with Councilmember Caletka that at least one lobbyist position could be eliminated.

Councilmember Paul took issue with the contingencies categorized as special projects. She felt they should consolidate all the contingencies at a lower rate into the same area so we know what we are dealing with. Aside from the Town Administrator, Mr. Cohen stated the only other contingencies would be in the Legal Department, and these were specifically for outside legal services.

Councilmember Paul said they had also discussed reducing municipal elections in the Town Clerk's Office by \$30,000 because there would be no referendum. She wondered if legal advertising expenses could be reduced as well, since there were no annexations or referendums scheduled for next year. Mr. Muniz cautioned that unanticipated legal items might come up that would require advertisement. Mr. Kiar felt that reductions were possible in Other Legal Services and Legal Settlements.

Councilmember Paul drew Council's attention to the Law Enforcement Vehicle Usage: which had increased by \$200,000 and fuel charges were \$118,555. She cited other areas where there was an apparent discrepancy between budgeted amounts and year-to-date actual amounts. Councilmember Paul referred to the printout that Police Chief John George had distributed and noted that the vehicle usage was up 19%. She wanted to know how much of this was due to new vehicles. Councilmember Paul felt these figures were a little inflated, especially in the vehicle usage and possibly would free up enough money here to fund those extra Police positions that we were looking for.

Councilmember Paul noted that the Police Department's internal charges were up 59%. She thought they were charging for technical projects piecemeal and this should not be done. Mr. Underwood explained that internal charges were used to recoup personnel and operating costs in the Technology and Information Management Department and to set aside some funds to pay for future equipment needs.

Councilmember Paul made a motion, seconded by Mayor Truex, recommending that Mr. Cohen contact the insurance consultant Rachael Sapoznick, the following day to set up a meeting to discuss insurance issues. In a voice vote, with Vice-Mayor Crowley dissenting, all voted in favor. (Motion carried 4-1).

Councilmember Starkey wanted to see how the budget could be reduced using some of Councilmembers Paul and Caletka's suggestions. She wanted to eliminate Economic Development or incorporate it into a department with which it could share services. Mr. Cohen said incorporating it into another department would not result in significant cost savings.

Councilmember Starkey said she did not want to eliminate the State lobbyist position because this person brought back money all the time in the form of grants. She suggested reducing the total lobbyist amount by \$30,000. Councilmember Starkey asked why the salaries for Parks and Recreation had increased by approximately \$1 million when there was no increase in the number of positions. Mr. Cohen agreed to provide this information to Council when he received it.

Councilmember Starkey said there were a number of requested positions in Human Resources but she did not see the value added in that department. Mayor Truex had heard complaints about issues being held up in Human Resources. Mr. Cohen clarified that only the public safety position had been added and one higher-level position had been reduced to a lower level for salary savings. Councilmember Starkey

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remembered their discussion regarding the possibility of providing some funding for the Housing and Community Department from the Community Redevelopment Agency. Mr. Cohen said the Agency's Board had refused this request.

Councilmember Caletka recommended that the Economic Development Department be removed, reduce the number of lobbyists to one, and require the employee fuel reimbursement he had mentioned earlier. Councilmember Starkey said they would be precluded from altering the terms of some of their contracts concerning the fuel costs, but thought they could consider this in the future contracts for managerial positions. Mr. Cohen said he was not sure what the public safety employees' contract specifically stated regarding vehicle usage, and agreed to research this and provide a report to Council.

Vice-Mayor Crowley made a motion, seconded by Councilmember Starkey, to approve the budget, less \$287,000. In a roll call vote, the vote was as follows: Mayor Truex - yes; Vice-Mayor Crowley - no; Councilmember Caletka - yes; Councilmember Paul - yes; Councilmember Starkey - yes. (Motion passed 4-1)

4. ADJOURNMENT

There being no further business to discuss and no objections, the meeting was adjourned at 9:14 p.m.

Approved _____

Mayor/Councilmember

Town Clerk

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